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COUNTRY AND INTERCOUNTRY PROGRAMMING AND PROJECTS

Consideration and approval of country programmes

THIRD COUNTRY PROGRAMME FOR COSTA RICA

UNDP Assistance requested by the Government of Costa Rica
for the period 1983-1986

Illustrative IPF for 1982-1986: $5 million

INTRODUCTION

1. The Government of Costa Rica requested the extension of the second country programme (1977-1981) until December 1982 in view of the change of government occurring in May 1982 and the redefinition of national development priorities which that change entailed. Consequently, this programme covers the period 1983-1986.

2. The Ministry of National Planning prepared the programme in co-ordination with sectoral planning offices and the International Organizations Department of the Ministry of Foreign Affairs, and it enjoyed the support of the UNDP office in Costa

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Note: In accordance with decision 81/15, adopted by the Governing Council on 27 June 1981 (E/1981/61/Rev.1, annex I), the third country programme for Costa Rica is submitted to the Council without an accompanying note by the Administrator.

The previous country programmes for Costa Rica and the related notes by the Administrator were issued as documents DP/GC/COS/R.1 and DP/GC/COS/R.2, and DP/GC/COS/R.1/RECOMMENDATION and DP/GC/COS/R.2/RECOMMENDATION respectively.

Rica. For the final selection of projects, an inventory of international technical co-operation needs was drawn up, a selection was made from existing project profiles and new projects were formulated. The specialized agencies of the United Nations system were involved in the identification and formulation of a number of projects included in this programme. In addition, assistance provided under programmes of the agencies of the system known at the time of writing has been included in this programme.

3. Assistance provided during the previous programming cycle (1977-1981) emphasized the strengthening of institutions in the agricultural, forestry, industrial, external trade, planning and employment sectors. However, in the current cycle, the emphasis in projects originally designed to stress the strengthening of institutions, such as the project to support priority forests plans (COS/79/001-Forestry development, phase II), has been shifted towards more concrete aspects of pre-investment and development. In addition, the country's socio-economic situation calls for new priorities, such as the short-term policy, the revival of the economy, the preparation of investment projects, export promotion and energy issues, all of which have had a direct bearing on the programming for the current cycle. Lastly, preference will be given to projects with cost-sharing arrangements, and time-limits for each project and recruitment criteria will be established.

4. The Government of Costa Rica is interested in having UNDP become involved in priority sectors, not only by contributing its own resources but also by serving as a catalyst helping to attract financing from other multi-bilateral and bilateral sources. This document contains specific references to co-operation financed from both types of assistance which make use of UNDP's capacity for their implementation.

5. The "Back to the land" programme of the 1982-1986 Government envisages a series of activities aimed at reviving economic development, which has been affected by structural and/or transitory dislocations which are taking a toll on Costa Rica's lifestyle and society. The National Development Plan (1982-1986), which is under preparation, will be based on the aforementioned programme, the basic features of which are outlined below.

6. The Government's economic policy is guided by the general objective of achieving economic stability at the least possible social cost so as speedily to lay the foundations for sustained development and thereby ensure the continuance and strengthening of democracy. In addition, it will seek to eliminate the serious imbalances which exist so as to reduce and eventually control inflation and stimulate production.

7. The deterioration in income distribution, the serious and growing imbalances in the external sector, the marked scarcity of basic food-stuffs for national consumption, the worsening of the terms of trade and the stagnating output of a number of traditional export products, which directly affects the country's foreign exchange holdings, clearly show how urgent it is to raise output and productivity.

8. The agricultural sector has a great capacity to produce, to create jobs and earn foreign exchange and to help reduce the energy deficit. In order to attain

those objectives, a collective effort must be made to modernize agriculture by introducing new methods of production and to provide the necessary safeguards to ensure adequate profitability. The mechanization of agriculture will be promoted with due attention being given to all the stages in the productive process, from the sowing of seed to the transport and marketing of produce to consumers at fair prices. In this way, the agricultural policy should help to transform farming from a subsistence into an income-earning activity, create new sources of rural employment by promoting the vertical integration of the productive process through agricultural and other rural industries, and link agricultural and industrial development by providing incentives for production and the establishment of complementary agricultural industries.

9. In recent decades the industrial sector has been the fastest growing in Costa Rica's economy but it has also been the most affected by the crisis of recent years. Credit restrictions, the increase in interest rates, the chronic shortage of foreign exchange and the sudden increase in the cost of foreign exchange, and, lastly, rapid inflation, have seriously hurt the industrial sector. In order to remedy the situation, priority is being given to improving the value added to goods in the country and invigorating the economy in general, on the social side, by making use of as much manpower as possible and on the economic side, by rapidly promoting exports of manufactures and, at the same time, import substitution. Encouragement will also be given to the siting of new industries in rural areas and the establishment of low-pollution industrial estates with the aim of reversing the current situation in which 85 per cent of manufacturing is concentrated in the central part of the country. Efforts to increase the value added to and the volume of exports are also a prominent feature of the Government's economic policy.

10. The Government of Costa Rica is also engaged in renegotiating the external debt with a view to obtaining new resources which will enable it to promote development and put the country's finances in order. In order to achieve accelerated economic growth under present conditions, there is a need for an orderly financial market, an increase in national saving and a better allocation of that saving. To that end, the Government is planning to restructure the financial system.

11. In the area of ports development, the country has made a considerable effort to modernize and expand its port facilities. Consequently, the Government has identified the need to train personnel to operate the new port facilities in a safe, efficient and economical manner.

12. The energy sector is of a crucial importance to Costa Rica's economy. The lack of a clear-cut policy for the short, medium and long term and the tendency to acquire too much machinery and vehicles requiring imported hydrocarbons has resulted in inadequate use of locally available sources of energy and an excessive dependence on fuels derived from petroleum. Accordingly, the Government intends to substitute electric power, plant-based fuels and other alternative sources of energy for the use of hydrocarbons and to make more rational use of hydrocarbons.

13. In its programme the Government sets social development objectives which should be included in the Development Plan and which will focus on the following areas: (a) the establishment of an employment sector promoting economic democracy by means of labour organization and management; (b) the consolidation of the education and health services; (c) the development of a housing policy that benefits the lowest income groups; (d) to develop an environmental protection and sanitation programme.

14. In the sphere of employment, the Government is giving priority to the formulation and implementation of a national employment and income plan and annual operational plans for job creation (1983, 1984, 1985) through specific programmes aiming at the development of agro-industries and crafts, the building and improvement of secondary roads, and fisheries development.

UNDP TECHNICAL ASSISTANCE IN SUPPORT OF NATIONAL DEVELOPMENT PRIORITIES

15. The third UNDP programme of technical co-operation fits in with the "Back to the land" programme, taking into account the Government's development objectives and the criteria indicated in this document. Care will be taken to ensure that activities under each project involve one or more of the following components, as appropriate: (a) the direct promotion of employment and income; (b) the formulation of specific programmes for generating productive activities; (c) the production of tangible outputs for the solution of actual problems.

A. General planning

1. Ongoing projects

16. Support for the National Development Plan (COS/77/004). The project is aimed at providing assistance to the National Planning and Political Economy Office (OFIPLAN) in designing tools for the planning of research on specific aspects of the country's socio-economic conditions and institutions. Activities relating to training and advisory services in public investments remain to be carried out.

17. Economic revival (COS/82/001). The project entails advisory services in the renegotiation of the external debt and the implementation of the economic revival programme.

18. Central American Institute of Public Administration (ICAP) (RLA/79/017). Assistance is being provided under this regional project to ICAP in its advisory, training and research activities.

2. New project

19. Technical assistance from the United Nations system in solving technical problems linked to short-term economic factors (COS/82/002). The project will be an expeditious and flexible mechanism for responding immediately to international

co-operation needs which may arise during the first few years of the current Government's term of office by means of short consultancies, fellowships and programmes of horizontal co-operation.

B. Natural resources

1. Ongoing project

20. Energy planning and development (COS/81/001). The main objective of the project is to develop the basic elements for organizing, establishing and strengthening a permanent energy planning and development system. It includes the identification of specific options leading up to the formulation of pre-investment and investment programmes.

2. New project

21. Uranium prospecting (COS/82/004). The aim is to build up the necessary infrastructure for prospecting and evaluating Costa Rica's uranium-producing potential.

3. Projects with financing from other agencies

22. Mineral prospecting in the Tilarán range. The aim is to search for gold and copper deposits in the area, with the participation of the United Nations Revolving Fund for Natural Resources Exploration.

C. Agriculture, forestry and fisheries

1. Ongoing projects

23. Support for priority forestry programmes (Phase II) (COS/79/001). The objectives of the project are to identify natural forest areas for timber production, protection and recreation; the planting, management and industrial use of multi-purpose forest units; and the production of firewood, charcoal and other fuels. In addition, the project provides for the development of forestry industry and the identification of investment projects.

24. RUTA (RLA/79/008). Assistance is being provided to the countries of the region in the preparation of agricultural and rural development projects likely to attract financing and in training activities.

2. New projects

25. Development of agro-meteorological activities (COS/82/005). The project focuses on increasing food production through the establishment of regional stations and agro-meteorological research.

26. Agricultural development (COS/82/009). Backstopping will be provided for agricultural production plans and programmes focusing on the priorities of producing basic food-stuffs and export commodities. Assistance will also be provided under those plans to expand the coverage and efficiency of agricultural extension and training services.

27. Fisheries development (COS/82/010). Advisory services will be provided under the project for the formulation of Government policy with respect to fisheries planning and production based on an integrated approach to the development of that sector. Support will also be given to programmes relating to small-scale fisheries and aquaculture.

3. Projects with financing from other agencies

28. Integration of rural women in production in Coto Sur (COS/80/W01). With the participation of the Voluntary Fund for the United Nations Decade for Women, the project aims at making use of the capacity of women's organizations in rural areas for the development of small-scale enterprises.

29. Development of production of basic grains, vegetables and fruits (COS/WFP/2148). Under this project, the World Food Programme (WFP) will provide small-scale farmers and their families with food aid, technical assistance, low-interest loans, seed, fertilizers, pesticides and marketing advisory services, with a view to training them and integrating them into the country's economic life.

30. Demonstration project on methods of storing basic cereals on farms (GCPP/COS/006/NET). The aim is to reduce post-harvest losses by evaluating and promoting the adoption of appropriate methods of drying and storing grains.

31. Advisory services in the preparation of a law relating to agricultural and stock-raising promotion and development (TCP/COS/2203). Under its technical co-operation programme, the Food and Agriculture Organization of the United Nations (FAO) will assist the Government in revising the preliminary bill and evaluating the legislation on seeds.

D. Industry

1. Ongoing project

32. Duty-free zones (COS/80/001). Assistance is planned for the promotion of investments and the establishment of industrial duty-free zones at Moín and Caldera.

2. New project

33. Industrial development (COS/82/008). Short consultancies will be provided on specific industrial problems such as the use of local raw materials, making greater use of idle capacity, the promotion of labour-intensive industries and vertical integration with other sectors.

3. Projects with financing from other agencies

34. Multi-service centre at Puntarenas (COS/80/W02). The purpose of the project is to investigate markets in the area and create employment opportunities by providing appropriate training to women organized into productive groups.

35. Marketing of handicrafts (COS/81/W01) (Voluntary Fund for the United Nations Decade for Women). Guidance for rural women and the establishment of a centre for marketing their products.

36. Assistance to the Federation of Voluntary Organizations (COS/81/W02). The provision of tools for co-ordinating the work being carried out by various groups and the development of teaching materials for training productive groups in disadvantaged urban areas with the assistance of the Voluntary Fund for the United Nations Decade for Women.

37. Assistance to the Leather-Working Technology Centre (CETEC) of the University of Costa Rica (TF/COS/81/802). Implemented by the United Nations Industrial Development Organization (UNIDO), the project aims at providing CETEC with the necessary means to provide services to local industries and to improve the quality of leather.

38. Studies for the building of a papain-processing plant (SIS/COS/82/031). Under this project, which is being carried out by UNIDO, the assistance of two consultants is being provided for making the necessary technical studies and advising the Agro-Industrial Development Corporation on various aspects of marketing papaya.

E. Employment

1. Ongoing project

39. Training in port operations (COS/81/002). The aim is to make the new ports of Moín and Caldera fully operational by developing appropriate basic and further training for port workers and assisting in the starting up of the National Centre for Training in Port Operations.

2. New project

40. Employment and rural development (COS/82/006). The project involves the development of productive activities as a source of employment, organizing community participation in managing productive activities, promoting and organizing co-operatives within the framework of the rural development project for Coto Sur.

3. Projects with financing from other agencies

41. Food aid for community development in rural and suburban areas (COS/WFP/2524). Food aid will be provided to assist and motivate under-employed and unemployed persons to improve their living conditions by creating employment opportunities through the establishment of co-operatives and other associations.

42. Regional workers' education programme. This project, which is financed from the regular budget of the International Labour Organisation (ILO), is helping to strengthen and expand workers' organizations in the subregion, train instructors and trade union leaders, and promote the establishment of permanent workers' education units.

43. Strengthening and development of rural workers' organizations. The project seeks to increase the capacity of organizations through improved administration, new or more efficient "self-help" or co-operative services to their members and workers' education activities (financing from DANIDA).

44. Pilot programme to improve management skills of managers in small-scale enterprises. It is planned to establish, under the National Institute of Occupational Training (INA), a sound programme for attracting or training managers and executives in manufacturing, building and relevant service sectors (financing from the Government of the Federal Republic of Germany).

F. International trade

1. New projects

45. Promotion of non-traditional exports and investments (COS/82/003). Support will be given to national efforts to develop non-traditional exports through promotional activities and advisory services to enterprises and specialized mechanisms with a view to achieving a better utilization of existing human and natural resources and strengthening the balance of payments by securing foreign exchange.

46. Training in export promotion (RLA/79/004). The project entails developing managerial skills at various levels in the field of foreign trade.

G. Population

1. Projects with financing from other agencies

47. Inclusion of population variables in national development plans (COS/79/P01). With financing from the United Nations Fund for Population Activities (UNFPA), the project aims at providing planners with the necessary information to include population variables in sectoral plans.

48. Maternal and child health and family planning (COS/82/P01). The project will seek, through training, to supplement the existing services provided to mothers and children.

H. Social conditions

1. Ongoing projects

49. United Nations Latin American Institute for the Prevention of Crime and Treatment of Offenders (ILANUD). Technical assistance is provided under the project to countries of the region in all aspects relating to crime prevention and the treatment of offenders.

50. Latin American Faculty of Social Sciences (FLACSO). Supports specific research, training and advisory programmes.

2. Projects with financing from other agencies

51. Food assistance for Salvadoran refugees (COS/WFP/1255). The project entails the provision of rations on an emergency humanitarian basis for 10,000 Salvadoran refugees in the central plateau of San Jose and the northern region of Guanacaste.

I. Science and technology

1. Projects with financing from other agencies

52. National system of science and technology (COS/81/T01). With support from the United Nations Financing System for Science and Technology for Development, the project entails the carrying out of the necessary studies and providing advisory services to relevant institutions in incorporating the technological component in development plans.

J. Health

1. Project with financing from other agencies

53. Environmental sanitation (COR/2000). The project encompasses basic sanitation in rural areas, the monitoring of environmental sanitation, food inspection, the control of vectors and rodents, and the building of water supply and sewage systems in urban areas (17.9 of the total budget of the Pan American Health Organization - PAHO).

54. Nursing (COR/4100). Since 1982-1983, PAHO has been supporting nursing in the public health sector and in hospitals, and ongoing and basic nursing education. These activities account for 1.5 per cent of the PAHO budget for Costa Rica.

55. Programme planning and general activities (COR/5000/5100/5500). Support for activities to develop general public health statistics and information systems and to increase the operational capacity of the sector by developing institutions generally especially in the area of administration. These activities represent 49.7 per cent of the PAHO budget for the country for the biennium 1982-1983.

56. Development of human resources (COR/6000). For 1982-1983, 19.5 per cent of the PAHO budget for the country has been allocated for fellowships in programme planning and general activities in the fields of medicine, nursing and environmental sciences.

Annex

FINANCIAL SUMMARY

		($US)
A.	**Resources**	
	IPF and other resources	
	(i) Illustrative IPF for 1982-1986	5 000 000
	(ii) Less unprogrammed balance a/	(1 000 000)
	(iii) Less authorized budget level for 1982	(480 000)
	(iv) Previous IPF cycle balance	11 000
	(v) Other resources: (cost sharing)	2 522 000
	Total resources available for programming	6 053 000
B.	**Use of resources**	
	(a) **Programmed**	
	(i) Ongoing projects	874 000
	(ii) New projects and new phases of ongoing projects included in the country programme	4 894 000
	Subtotal	5 768 000
	(b) **Reserve**	285 000
	Total	6 053 000

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C. Financial distribution of programme by sector

Sector b/	Ongoing project IPF	New projects IPF	New projects C-S c/	Total IPF	Total %
		($US)			
02 General development issues	198 000	642 000	-	840 000	14.6
03 Natural resources	50 000	340 000	884 000	1 274 000	22.1
04 Agriculture, forestry and fisheries	410 000	931 000	1 088 000	2 429 000	42.1
05 Industry	1 000	100 000	-	101 000	1.7
07 International trade and development finance		259 000	200 000	459 000	8.0
12 Employment	215 000	100 000	350 000	665 000	11.5
TOTAL	874 000	2 372 000	2 522 000	5 768 000	100.0

a/ Representing 20 per cent of the illustrative IPF which has not been taken into account for programming.

b/ According to ACC classification.

c/ Cost-sharing.